



A Passionate Voice for Compassionate Care

September 11, 2023

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Department of Health & Human Services
Room 445-G Herbert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

RE: [CMS–9904–P] Short-Term, Limited-Duration Insurance; Independent, Non-coordinated Excepted Benefits Coverage; Level-Funded Plan Arrangements; and Tax Treatment of Certain Accident and Health Insurance

Dear Administrator Brooks-LaSure:

On behalf of the Catholic Health Association of the United States (CHA), the national leadership organization of the Catholic health ministry representing the largest group of not-for-profit providers of health care services in the nation, **I am writing in support of the proposed rule restricting short-term, limited duration insurance plans.**

CHA represents more than 2,000 Catholic health care sponsors, systems, hospitals, long-term care facilities and related organization across the continuum of care. CHA represents the largest not-for-profit provider of health care services in the nation:

- 1 in 7 patients in the United States is cared for in a Catholic hospital each year
- Nearly 5 million admissions to Catholic hospitals each year, including one million Medicaid admissions
- All 50 states and the District of Columbia are served by Catholic health care organizations
- Approximately 750,000 individuals are employed in Catholic hospitals

CHA has long worked for policies to make health care affordable and accessible to everyone in a system that is patient centered and designed to address health needs at all stages of life. Each person should have access to a core health benefits package covering services across the life span of care, receiving the same level and quality of care without limits or variations based on age; race; ethnicity; financial means; or health, immigration or employment status.

Short-term, limited-duration insurance plans are intended to fill temporary gaps in coverage that may occur when an individual is transitioning from one plan or coverage to another plan or coverage. Such plans are exempt from the ACA's requirements on essential health benefit

coverage, preventive care coverage, pre-existing condition exclusion, out-of-pocket cost maximums, age-rating restrictions and other important consumer protections. They were originally limited to periods of less than 12 months. In 2016 the Department proposed and finalized a new definition, limiting the plans to three months, including any renewal periods. This change was made due to concerns that the plans were being used as a form of primary coverage and that a growing market for such plans could adversely impact the ACA-compliant individual market.

A subsequent rule finalized in 2018 extended the allowable term of such plans to less than 12 months, with an additional two extensions permitted, stretching short-term plans to as long as three years. CHA strongly opposed this change when it was proposed. Short-term, limited-duration insurance plans offer no protection against premium increases or coverage denials based on preexisting conditions, gender, age and health history. Those who purchase short-term coverage as their primary health care coverage may be able to pay lower premiums but only because the plan provides them with less coverage and fewer protections than an ACA compliant plan. Consumers are also subject to excessive out-of-pocket costs and may find that their low-premium short-term plan provides them little or no protection when they face unexpected and expensive medical crises.

CHA shares CMS' concerns that people shopping for insurance may fail to appreciate these limitations and believe they are purchasing comprehensive insurance. The millions of people losing Medicaid coverage as a result of the post-COVID Medicaid unwinding process are at particular risk of harm from these plans. We are also concerned that because premiums for short-term plans can be based on the purchasers' pre-existing conditions and insurance risk factors they are likely to attract younger and healthier than average enrollees, thus increasing premiums in ACA-regulated insurance.

The proposed rule would effectively rescind the 2018 rule and limit plan terms to three months, with no more than a one-month renewal or extension within a 12-month period by the same issuer for the same policyholder. It would also require that notice language to be prominently displayed in any marketing, application, and enrollment materials provided at or before enrollment. The notice stresses that Short-term, limited-duration insurance plans are not comprehensive insurance, might not cover preexisting conditions or essential health benefits, do not offer financial help, and do not protect from surprise medical bills, and that after the policy ends, the enrollee might need to wait until open enrollment to enroll in comprehensive coverage. **CHA strongly supports both the rescission of the 2018 rule and the notice requirement.**

CHA appreciates the Administration's efforts to protect access to affordable, comprehensive health insurance, with coverage that will meet their health care needs. We very much share that goal and look forward to continuing to work together to ensure equitable access to quality health care for all.

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Thank you for the opportunity to provide comments on this proposed rule. If you should have any questions about these comments or would like additional information, please do not hesitate to contact Kathy Curran, Senior Director, Public Policy, at 202-296-3993.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa A. Smith". The signature is fluid and cursive, with the first name "Lisa" being the most prominent.

Lisa A. Smith
Senior Vice President
Public Policy and Advocacy